



SFUND RECORDS CTR
3417-90240

**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 9
1235 MISSION STREET
SAN FRANCISCO, CA 94103**

Certified Mail No. P 553 882 797
RETURN RECEIPT REQUESTED

NOTICE OF POTENTIAL LIABILITY AND EPA CONDUCT OF REMOVAL ACTION
URGENT LEGAL MATTER - PROMPT REPLY NECESSARY
CERTIFIED MAIL: RETURN RECEIPT REQUESTED

SFUND RECORDS CTR
88202929

Sutro Tunnel Company
552 Main Street
Virginia City, Nevada 89440

Re: Carson River Mercury NPL Site
Approximately 3 Miles East of Dayton, Nevada
North side of U.S. Highway 50

Dear Sir:

NOTICE OF POTENTIAL LIABILITY

This letter notifies you of potential liability, as defined by Section 107(a) of the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. Section 9607(a), as amended (CERCLA), with respect to the above referenced site. This letter also notifies you of potential removal activities at the site, which you may be asked to finance at a later date.

The United States Environmental Protection Agency (EPA) has documented the release or threatened release of hazardous substances, pollutants, or contaminants at the above-referenced site. EPA has spent, and is considering spending additional public funds on actions to investigate and control such releases or threatened releases at the site. EPA is authorized to perform these actions pursuant to Section 104 of CERCLA.

Under Section 106(a) and 107(a) of CERCLA, 42 U.S.C. Sections 9606(a) and 9607(a), Section 7003 of the Resource Conservation and Recovery Act, 42 U.S.C. Section 6973 (RCRA), and other laws, potentially liable parties may be obligated to implement response actions deemed necessary by EPA to protect human health, welfare or the environment, and may be liable for all costs incurred by the government in responding to any release or threatened release at the site. Such actions and costs may include, but are not limited to, expenditures for investigations, planning, response, and enforcement activities.

EPA has evaluated information in connection with the investigation of the site, concerning persons who may be associated with it. Based on this evidence, EPA believes that you are a potentially responsible party with respect to this site. Potentially responsible parties (PRPs) under CERCLA include current and former owners and operators of the site as well as persons who arranged for disposal of hazardous substances found at the site, or persons who accepted hazardous substances for transport to the site. Specifically, EPA has determined that you are the legal owner of the site.

In accordance with CERCLA and other authorities, EPA already has undertaken certain actions and incurred certain costs in response to the conditions at the site. These response actions include sampling and assessing mercury contamination. EPA may expend additional funds for response activities at the site under the authority of CERCLA and other laws.

SITE RESPONSE ACTIVITIES

At present, EPA is planning to conduct the following activities regarding hazardous materials which were found at the site: EPA will fence and post the site as a hazardous waste/materials site to prevent unauthorized access. EPA will continue to perform analyses in order to fully characterize the site. EPA will treat all contaminated surface sediments to prevent migration offsite. These activities will be monitored by EPA to ensure safety and compliance with applicable regulations. You may be responsible for all costs incurred as a result of the above activities.

ADMINISTRATIVE RECORD

Pursuant to CERCLA Section 113(k), 42 U.S.C. Section 9613(k), EPA will establish an administrative record file that will contain documents that form the basis for EPA's decision on the selection of a removal action for the site. The administrative record will be open to the public for inspection and comment. The administrative record will be located at a nearby public building to be determined at a later date.

AGENCY CONTACT

In your response to this letter, please indicate the appropriate name, address, and telephone number for further contact. If you are already involved with discussions with State or local authorities, engaged in voluntary cleanup actions, or involved in a lawsuit regarding this site, you should continue such activities as appropriate. This letter is not intended to advise you or direct you to restrict or discontinue any such activities; however, you are advised to report the status of those discussions or actions in your response to this letter, and to provide a copy of the response to any other parties involved in those discussions or actions.

Your response to this letter should be sent to:

U.S. Environmental Protection Agency
On-Scene Coordinator, Robert Mandel
Mail Code H-8-3
1235 Mission Street
San Francisco, CA 94103

Phone: (415) 744-1026
FAX: (415) 744-1070

For any legal questions please contact:

Charles McKinley, Assistant Regional Counsel, Office of
Regional Counsel

Phone: (415) 556-6863

If you or your attorney have any questions pertaining to this matter, please direct them to OSC Robert Mandel or Charles McKinley, respectively, at the above address.

Sincerely,

Gerald Clifford
Deputy Director of Superfund

cc: William J. Weis III, EPA Emergency Response Enforcement
Jolaine Johnson, Nevada DEP
Reading File